



GARY R. HERBERT  
Governor

SPENCER J. COX  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

December 1, 2015

CERTIFIED RETURN RECEIPT  
7013 3020 0002 3659 6535

Nicholas Lott  
American Gilsonite Company  
29950 South Bonanza Highway  
Bonanza, Utah 84008

Subject: Conditional Approval of Permit Transfer, Cowboy Bandana Mine, Ziegler Chemical and Mineral Corporation, M/047/0013, Uintah County, Utah

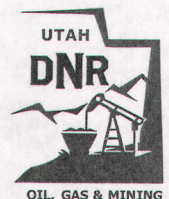
Dear Mr. Lott:

The Division of Oil, Gas and Mining approves transfer of the Notice of Intention to Commence Large Mining Operations (NOI) for the Cowboy Bandana mine (M/047/0013) from Ziegler Chemical and Mineral Corporation to American Gilsonite Company conditional on the following items:

1. Prior to final approval, the Division must receive reclamation surety in the amount of \$457,700.00. If a portion of this surety is to be held by the Bureau of Land Management, the Division must receive confirmation that American Gilsonite Company is listed as the obligor on the surety, and the Division needs to be listed as a beneficiary. If the Division is not listed as a beneficiary, the Division and the BLM may enter into an agreement where the Division would be considered a beneficiary. Please provide the surety and/or confirmation from the BLM by December 31, 2015.
2. Before the transfer is approved, the Division must receive a notarized reclamation contract signed by an officer of American Gilsonite Company.

The Division will issue final approval and return stamped approved replacement pages for the NOI after receiving the surety and reclamation contract.

The Cowboy Bandana NOI needs to be incorporated into the NOI for the Bonanza operation, M/047/0010, and the reclamation cost estimate needs to be updated and included with the calculations for Bonanza. Please provide these updates by April 30, 2016. Upon final approval of these items, the Division will retire the file for the Cowboy Bandana NOI, M/047/0013.

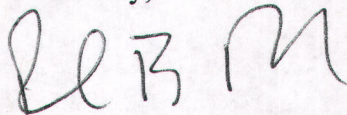




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Nicholas Lott  
M/047/0013  
December 1, 2015

Please contact April Abate at 801-538-5214 or me at 801-538-5261 if you have questions regarding this conditional approval.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Baker'.

Paul Baker  
Minerals Program Manager

PBB:aa:pb

cc: Chip Ziegler, Ziegler Chemical and Mineral Corporation ([chip@zieglerchemical.com](mailto:chip@zieglerchemical.com))  
Stan Perkes, BLM ([sperkes@blm.gov](mailto:sperkes@blm.gov))  
Jerry Mansfield, SITLA ([jmansfield@utah.gov](mailto:jmansfield@utah.gov))  
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